MLCC

81st ANNUAL REPORT 2004

MANITOBA LIQUOR CONTROL COMMISSION

FOR THE FISCAL YEAR APRIL 1, 2003 TO MARCH 31, 2004

THE MISSION OF THE MLCC IS TO PROMOTE THE SAFE, HEALTHY AND RESPONSIBLE USE OF BEVERAGE ALCOHOL PRODUCTS, THEREBY GENERATING REVENUES FOR THE PROVINCE.

MODERATION – PROMOTE RESPONSIBLE USE AS A WAY OF LIFE

QUALITY SERVICE – CARE FOR OUR CUSTOMERS, SUPPLIERS AND ONE ANOTHER

FOCUS ON RESULTS – GETTING THE JOB DONE RIGHT

CONTINUOUS IMPROVEMENT – MOVING AHEAD IN EVERYTHING WE DO

INTEGRITY AND FAIRNESS – NURTURING RESPECTFUL BUSINESS RELATIONSHIPS

IMPORTANCE OF PEOPLE – FOSTERING A POSITIVE WORKPLACE THAT BUILDS TEAMWORK, MUTUAL RESPECT AND ENCOURAGES INDIVIDUAL DEVELOPMENT

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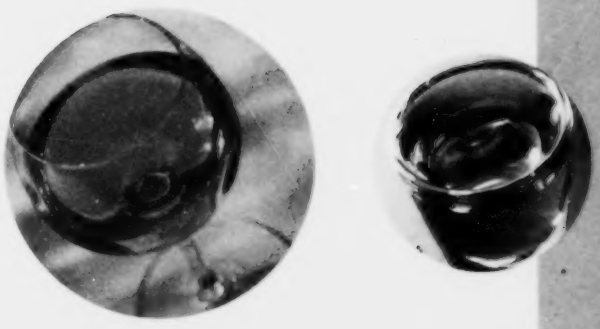

Commission Structure

The Manitoba Liquor Control Commission's corporate structure is typical of Provincial Crown agencies.

The Board of Commissioners oversees the activities of the Commission. The Board Chair reports to the Minister responsible for *The Liquor Control Act,* who, in turn, reports to the Legislative Assembly.

The Licensing Board considers applications for licences and determines the appropriate disciplinary action for breaches of *The Liquor Control Act.* These decisions may be appealed to the Board of Commissioners.

The provincial government appoints all board members. The day-to-day operations of the Commission are the responsibility of the President and Chief Executive Officer who reports to the Board of Commissioners.

Licensing Board

(l to r): Louise Wilson, Jim Still, Les Barrett, Dale Neal (Vice-Chair), Vic Wonnacott (Chair).

Board of Commissioners

(l to r): Robert Rae (appointed April/04), Les Crisostomo, Myrna Phillips, Janine Ballingall Scotten, Garry Hammerback, Carmen Neufeld (Chair), Fran Frederickson (Vice-Chair), Maria Moore. Missing: Ed Azure, Bernard Christophe (resigned January/04).

Chair's Message

On behalf of the Board of Commissioners, I am pleased to present the 81st Annual Report of the Manitoba Liquor Control Commission.

This past year was exceptional for the MLCC on many fronts. Most notably, the MLCC generated $10 million more in net profit over last year for the Province of Manitoba. By providing these financial resources, the MLCC assists the provincial government in funding key programs in health care, education, and community and social services, and improving the overall quality of life for Manitobans.

The success of this past year could not have happened without the vision, commitment and teamwork of everyone working at the MLCC. The accomplishments highlighted within this report demonstrate the cooperation that exists between the Board and the Executive, the leadership of the Management Team and the support and dedication of the Commission's employees.

Last year, the Board and Executive Management committed to best practices in all areas of Commission operations. We were pleased that one of the "best practices" achieved in Fiscal 2004 was the development of a Code of Conduct for all MLCC employees. This was a tremendous undertaking involving a great deal of time and effort to gather input from employees throughout the Commission. The final document is one that clearly explains the roles, responsibilities and expectations for all MLCC employees, including management and Board members. This document was presented to all employees in F'04 through a series of special meetings held throughout the province. Thank you to everyone involved in the development and delivery of the Code. I know it is a document that is truly reflective of the culture and work environment at the MLCC and I am confident it will serve us well for many years.

As always, social responsibility remains core to all MLCC activities. This is evident in our approach to all aspects of our business, from checking identification of younger adults in retail stores, to educating licensees on the responsible sale and service of alcohol, to setting standards on alcohol consumption for our own employees. The MLCC also continues its efforts to deliver public awareness and education programs on important alcohol-related issues, such as alcohol and pregnancy and over consumption of alcohol by young adults. These programs are fully supported by the Board.

On behalf of the Board of Commissioners, I would like to express my appreciation to Executive Management, as well as management and staff for their hard work and dedication to achieving all of our goals over the past year. By working together toward a common vision, we can ensure that the MLCC continues to be an important contributor to the government and the people of Manitoba.

Carmen Neufeld
Chair, Board of Commissioners

President's Message

I am pleased to report the MLCC returned a record profit of $176.3 million to the Province of Manitoba, an increase of six percent over last year! This achievement demonstrates the MLCC's role as an important contributor to Manitoba's general revenue through the controlled sale of beverage alcohol products.

To say that Fiscal 2004 was a successful year for the MLCC would be a tremendous understatement. To borrow from a popular movie from a few years ago, it was the "Perfect Storm" in liquor retailing. We experienced all the requirements necessary for a unique and exceptional year: targeted pricing, great promotions, and, most importantly, people – and it all came together along with the perfect weather.

Our beverage alcohol products offered wide variety and were priced right for the Manitoba market. Our in-store promotions proved to be popular with our customers. Whether it was a launch of a new product by industry, Limited Time Offer events or opportunities to build AIR MILES® reward points, customer response was tremendous.

Our employees continued to offer great customer service. We hear over and over again from business associates, acquaintances and from our customers that our staff is friendly and knowledgeable. It is very rewarding to hear these unassisted comments and it tells us that our attention to customer service and commitment to product training are seeing results. Lastly, the weather cooperated by ensuring sunny, warm days during the summer weekends of 2003, which had a direct impact on beer and cooler sales.

Our financial accomplishments, however, only tell part of the story for Fiscal 2004. We were also successful in reaching our goals in four other key strategic areas.

SOCIAL RESPONSIBILITY

We continued to make responsible use of beverage alcohol core to all MLCC activities – from public awareness campaigns on over-consumption of alcohol by young adults to responsible service training for our licensees and liquor vendors. We continued to lead the way in public awareness of alcohol and pregnancy and FAS with our "With Child – Without Alcohol" program. Age identification for young adults through our "Show Your Age" program continues to address underage access to alcohol. We also supported numerous programs and organizations on drinking and driving issues, safety issues in Downtown Winnipeg and addictions awareness.

BUSINESS EFFECTIVENESS

We continued to work in partnership with suppliers and commercial customers to identify and move toward industry best practices. A major accomplishment was the integration of our entire Distribution system into our new JDEdwards computer system. This was a tremendous undertaking and could not have been accomplished without the drive and determination of our employees and the support and understanding of industry and licensees.

CUSTOMER SERVICE

Our goal is to deliver a high level of service quality to our retail and commercial customers. While customer comments are a good indicator of service, this past year we employed professional shoppers to rate our service and we achieved our highest service levels ever!

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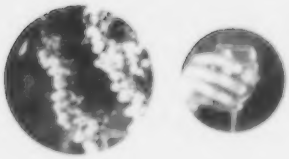
WORKPLACE QUALITY

Our goal is to promote a modernized work environment and an inclusive culture that encourages participation of all staff. One of the key strategies is to ensure a staff and management that are well trained to undertake new responsibilities. Through succession planning we are identifying future Executive Team members and providing them with the training and experience they will need in years to come. Training was also a large part of our efforts this past year as we increased employee training days in a number of areas: product knowledge; security awareness; Code of Conduct; as well technical training on our new employee scheduling and time-keeping computer program.

All these accomplishments over the past year move us closer to our long-term strategic goal to be "the best liquor jurisdiction in Canada".

In closing, I would like to thank our employees for their commitment to the organization; the Executive Management Team for their support and leadership; and to our Board of Commissioners for their guidance in Fiscal 2004. Thank you all for being part of this extraordinary year!

Don Lussier
President & CEO



THE MLCC'S STRATEGIC PLAN IS BASED ON FIVE STRATEGIC THEME AREAS. THESE THEME AREAS SERVE AS A BLUEPRINT FOR INCORPORATING OUR MISSION STATEMENT INTO DAY-TO-DAY ACTIVITIES.

THE FIVE THEME AREAS ARE: FINANCIAL, SOCIAL RESPONSIBILITY, CUSTOMER SERVICE, BUSINESS EFFECTIVENESS AND WORKPLACE QUALITY. THIS REPORT HIGHLIGHTS OUR ACCOMPLISHMENTS IN EACH OF THESE AREAS IN FISCAL 2004.

GOAL: Continue to be an important contributor to Manitoba's general revenue through the controlled sale of beverage alcohol products and services.

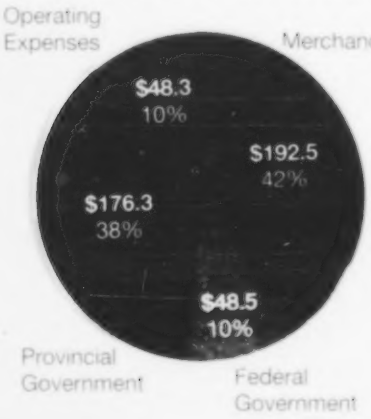
OBJECTIVE #1: Annually increase net profits paid to the province of Manitoba but recognize that the Commission's ability to meet this objective is limited by the economic climate, flat volumes, provincial government control over mark-ups and supplier control over cost increases.

OBJECTIVE #2: Exercise control over mark-up rates while maintaining transparency.

Far exceeding its target of a one percent increase in net profit, the MLCC returned an amazing $176 million to the Government of Manitoba – an increase of six percent over last year! This accomplishment was due to a variety of influences: great summer weather, increased beer, wine and spirits sales, minor markup adjustments, merchandising programs that encouraged higher end purchasing, and increased customer traffic.

The MLCC maintained its competitive pricing relationship to Saskatchewan and Ontario. In addition, the Commission continues to monitor its *pricing relationship with other provinces* through cross-Canada pricing comparisons with an aim to maintain a mid-range position.

RETURN TO PROVINCE:
$176.3 MILLION FOR MANITOBANS



Retail Sales Tax - $14.1
Environmental Protection Tax - $1.7
Waste Reduction & Prevention Tax - $0.4

Goods and Services Tax - $32.4

PROFIT AND EXPENSE RATIOS (IN THOUSANDS)
FISCAL YEARS ENDING MARCH 31

	2000	2001	2002	2003	2004
Sales	393,535	400,825	422,604	434,980	459,199
Gross Profit	188,211	190,690	199,140	205,448	218,191
Net Profit	156,304	158,613	163,316	166,347	176,251
General and Administrative Expenses	36,398	36,622	39,938	44,127	45,850
Depreciation	961	1,084	1,462	2,107	2,432
Gross Profit as % of Sales	47.8%	47.6%	47.1%	47.2%	47.5%
Net Profit as % of Sales	39.7%	39.6%	38.6%	38.2%	38.4%
General and Administrative Expenses as % of Sales	9.2%	9.1%	9.5%	10.1%	10.0%

Financial

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ACCOMPLISHMENTS:

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RETURN TO PROVINCE:
$176.3 MILLION FOR MANITOBANS

ADDITIONAL PAYMENTS TO THE PROVINCE
(IN MILLIONS)

Retail Sales Tax - $14.1
Environmental Protection Tax - $1.7
Waste Reduction & Prevention Tax - $0.4

ADDITIONAL PAYMENTS TO THE FEDERAL GOVERNMENT
(IN MILLIONS)

Goods and Services Tax - $32.4

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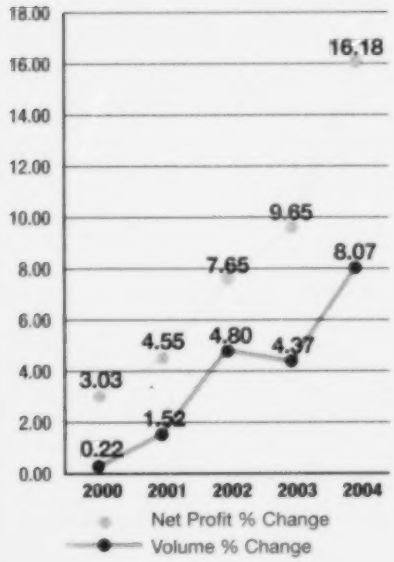
CUMULATIVE % PROFIT & VOLUME



PRODUCT $ SALES IN MILLIONS

	Beer	Spirits	Wine	Coolers/Ciders
2000	175	152	58	9
2001	181	153	58	9
2002	193	154	63	13
2003	199	154	67	15
2004	212	159	72	16

VOLUME SALES – MILLIONS OF LITRES

	Beer	Spirits	Wine	Coolers/Ciders
2000	68.6	6.4	6.2	1.9
2001	69.5	6.4	6.3	2.0
2002	71.3	6.3	6.7	2.6
2003	70.6	6.3	6.8	2.9
2004	73.1	6.5	7.1	2.9

PER CAPITA CONSUMPTION IN LITRES

	Beer	Spirits	Wine	Coolers/Ciders
2000	60.0	5.6	5.5	1.7
2001	60.5	5.6	5.5	1.8
2002	62.0	5.5	5.8	2.3
2003	61.3	5.4	5.9	2.5
2004	62.9	5.6	6.1	2.6

Source: Statistics Canada CANSIM 11 table 051-0001 based on total population as of July 1 of each year.

Social Responsibility

GOAL: Promote the safe, healthy, responsible service and use of beverage alcohol products.

OBJECTIVE #1: Support programs to promote socially responsible consumption of beverage alcohol products.

ACCOMPLISHMENTS:

The MLCC continued to promote its "With Child – Without Alcohol" – FAS public awareness program through various print mediums aimed at women and families. In F'04, approximately 2,000 information kits were distributed through the Interagency on Fetal Alcohol Syndrome and Effects to health and education organizations.

The "Show Your Age" program continues to remind young adults that proof of age is required when purchasing alcohol from Liquor Marts or licensed establishments. Although the photo-identification card is issued as proof of age under *The Liquor Control Act*, it has been accepted as government-issued photo-identification for travel purposes in Canada and the United States. In F'04, 5,245 photo-identification cards were issued; a 2.5 percent decrease over F'03.

The "Be Undrunk" program, launched in F'03, addresses over-consumption of alcohol by young adults. The program continued in F'04 with print advertising in washrooms of licensed establishments. A web site was also developed to provide information to young adults on over-consumption of alcohol. The site also invites visitors to share their stories of how over-consumption of alcohol ruined a good time in exchange for a promotional tee-shirt. Response to the web site has been received from Manitoba, other provinces and from the U.S.A.

The MLCC participates on a number of projects and committees, such as Safe Grad/Teens Against Drinking and Driving; Mothers Against Drunk Driving; Manitoba Addictions Awareness Week; Non-Potable Alcohol Abuse Committee; Downtown Winnipeg BIZ Association; Integrated Border Enforcement Team; and the provincial Responsible Service Committee.

OBJECTIVE #2: Make the promotion of responsible use core to all MLCC activities.

A corporate policy on responsible use of alcohol for all employees was developed as part of the MLCC's overall Code of Conduct policy and was communicated to all staff.

The MLCC's product Listing Committee incorporated social responsibility criteria into the policy for consideration of new product listings.

OBJECTIVE #3: Optimize compliance with *The Liquor Control Act* (LCA).

The MLCC continued to balance education and enforcement to ensure compliance with *The Liquor Control Act*.

Licensing & Inspection staff conducted 12 licensing seminars for prospective licensees and their staff.

Licensed establishments received 27,338 visits from liquor inspectors in F'04, and inspectors conducted 142 educational seminars for licensees and their staff. These figures are just slightly below last year but were on target with the business plan. Approximately 442 owner/managers and approximately 2,827 server/security personnel completed the mandatory *It's Good Business* responsible service course through Manitoba Tourism Education Council (MTEC).

Inspection of occasional permits exceeded the set target with 1,707, or 24.3%, of sale permit functions being inspected. Educational seminars by Inspection Services to occasional permit holders/banquet hall operators decreased from 134 in F'03 to 93 in F'04, as a number of banquet hall operators chose to attend responsible service training through MTEC.

General and public concern investigations decreased from 1,309 in F'03 to 1,162 in F'04.

In addition to education and regular inspections, Licensing & Inspection uses a targeted inspection program dependent upon type of licence held and previous history of operation. Establishments where liquor is a primary component of the operation (beverage room, cabaret, beer vendor, cocktail lounge) are inspected more frequently than those where food is the primary component of the operation. Average number of inspections by operation type was on target in F'04. Licensing & Inspection recommends progressive disciplinary action for those licensees, permittees and banquet hall operators who continue to breach *The Liquor Control Act*.

Administrative action involving licensees included 121 warning letters and 11 meetings with the Manager, Inspection Services, in addition to 11 warnings and four suspension of privileges involving permittees and banquet hall operators.

Disciplinary action by the Licensing Board and Board of Commissioners is detailed in the "Disciplinary Action Chart".

LEGISLATIVE CHANGES:

There were no changes or amendments to *The Liquor Control Act* or Regulations in F'04.

IT'S GOOD RESPONSIBLE SERVICE BUSINESS
Manitoba

NUMBER OF HOTEL REGISTRATIONS & LICENCES

Class of Licence	2000	2001	2002	2003	2004
Hotel Registration	324	328	324	323	327
Retail - Beer Vendor	301	303	298	296	297
- Brewer's Retail	2	4	3	2	1
- Sacramental Wine	3	3	3	3	3
Beverage Room	286	287	279	277	276
Dining Room	1,110	1,133	1,133	1,116	1,124
Transportation	20	14	11	11	11
Cocktail Lounge	419	429	444	455	450
Cabaret	21	21	24	20	20
Spectator Activities	39	39	39	41	41
Private Club	265	267	265	266	263
Military Canteen	19	20	18	18	18
Sports Facility	139	146	150	154	156
Manufacturer's	53	53	55	35	37
Total	**3,001**	**3,047**	**3,046**	**3,017**	**3,024**

OCCASIONAL PERMITS ISSUED

	2000	2001	2002	2003	2004
Liquor Sold	9,242	8,923	7,991	8,056	7,569
Liquor Complimentary	4,915	4,735	4,750	4,641	4,425
Total	**14,157**	**13,658**	**12,741**	**12,697**	**11,994**

INSPECTIONS, INVESTIGATIONS AND EDUCATIONAL SEMINARS

	2000	2001	2002	2003	2004
Licensed Premises					
Licensee visits	25,782	27,451	28,161	27,613	27,338
Investigations/final inspection of premises	799	852	1,010	984	915
Education of licensees/their staff	176	194	151	145	142
Total	**26,757**	**28,497**	**29,322**	**28,742**	**28,395**
Occasional Permits					
Inspections while in progress	2,030	1,903	1,658	1,695	1,707
Investigations prior to issue	1,031	1,098	1,033	1,029	1,208
Education of hall owners/permittees/public	164	113	114	134	93
Inspection of new banquet halls	76	76	70	103	93
Total	**3,301**	**3,190**	**2,875**	**2,961**	**3,101**
General and Public Concern Investigations	**1,221**	**1,369**	**1,296**	**1,309**	**1,162**

DISCIPLINARY ACTION

	2000	2001	2002	2003	2004
Licensees:					
Administrative					
- warning letters	64	76	100	229	121
- meetings with Manager, Inspection Services	26	48	29	30	11
Total	**90**	**124**	**129**	**259**	**132**
Board					
- disciplinary hearings	35	38	45	41	35
- appeal hearings	4	9	6	6	3
Board Action					
- warnings	6	4	10	5	7
- suspensions	25	25	36	29	26
- cancellations	1	0	2	0	3
- other	3	6	2	10	0
Total	**35**	**35**	**50**	**44**	**36**
Total days suspended	70	37	82	121	433*

Note: Board actions may not equal number of hearings due to appeals carried forward to next fiscal year, or more than one action taken at a hearing.

Permittees/Hall Owners:					
Administrative					
- warnings	16	21	13	30	11
- suspension of privileges	12	4	4	7	4
Total	**28**	**25**	**17**	**37**	**15**

** 365 days suspended attributed to one licensee (suspension began in F'03 and is ongoing into F'05).*

Breaches of *The Liquor Control Act* can be handled administratively or through a hearing before the Licensing Board. Where there is no previous record, the inspector may handle the matter through education of the licensee and staff.

Where there is a record of operation and the breach is of a less serious nature, administration may issue a letter of warning or meet with the licensee to discuss solutions to the problem. These letters/meetings form part of the licensee's record of operation. Where there is a record of operation and the breach is of a serious nature, the matter is referred to the Licensing Board for a hearing. Appeals are heard by the Board of Commissioners.

Breaches of *The Liquor Control Act* by banquet hall operators and occasional permit holders are normally handled by administration of the Commission.

Customer Service

GOAL: Deliver a high level of service quality to our retail and commercial customers throughout the province.

OBJECTIVE #1: Enhance service to public customers.

ACCOMPLISHMENTS:

Category Management continues to be an important initiative for the Commission with an annual benefit of $500,000 in profit realized in F'04. During the past year, the MLCC worked with industry to develop a plan to address the "Spirits" category. Changes were made to how the category is segmented and how the MLCC judges product performance to better fit customer needs.

An on-site survey of 700 Liquor Mart customers was conducted in six stores. The purpose was to enhance understanding of customer decision-making when purchasing liquor products as it relates to MLCC in-store purchase motivators. The survey showed purchasing decisions were based on 1) "the brand I usually buy"; 2) the taste of the product; 3) brand reputation and country of origin. Price and special/bonus Air Miles® rank as strong secondary considerations.

The MLCC also measures customer service through the use of a professional shopping service of its Liquor Marts. Stores are rated on a number of standards including promptness of service, friendliness of staff, store condition and product knowledge. Four rounds of professional shops were conducted in Winnipeg with an average overall rating of 87%. All rural Liquor Marts and 20 selected Liquor Vendors were service shopped in November 2003. The average score for the vendors was 89% – up significantly from the October 2002 average of 80%. Eight vendors scored a perfect 100%. Rural stores averaged 85% with three stores scoring 100%. The Winnipeg Liquor Marts were also shopped to ensure our commitment to the socially responsible sale of beverage alcohol products is maintained.

In keeping with our commitment to improve the shopping environment for our customers, Refreshment Beverage Areas were constructed in the Brandon Shoppers Mall and Portage la Prairie Liquor Marts in February 2004. The refreshment beverage area enables the store to better merchandise beer, cooler and cider selections and allows for increased productivity, as beer is easier to unload when received. Other minor alterations were made to give these stores a fresh new look. In Brandon, retail space was increased and the merchandise fixtures were reconfigured to improve layout and make the shopping experience more inviting.

In Portage la Prairie, new checkout counters were installed to better serve customers and merchandise fixtures were reconfigured to enhance the shopping experience.

Beausejour and Pine Falls stores were renovated to bring them up to today's standard of a modern Liquor Mart. The merchandising layout was redesigned to maximize aisle space and product presentation. Attractive Wine Corners and Refreshment Beverage Areas were added. The back room offices were relocated to the front retail area to optimize customer service and staff efficiency.

RETAIL OUTLETS – 2004

PRODUCT LISTINGS 2003-2004

spirits	general list	482
	specialty list	218
wines	general list	711
	specialty list	1,239
beer	MLCC distributed	74
	privately distributed	330
coolers/ciders	general list	92
	specialty list	3
Total active listings as at March 31, 2004		**3,149**

The Gimli Liquor Mart was also renovated with a new modified Wine Corner to increase selection. A Refreshment Beverage Area was also added and the merchandising area was redesigned to maximize aisle space and product presentation.

A new Liquor Mart opened in Winnipeg on the corner of Kenaston and McGillivray in September 2003 to better serve the residents of Whyte Ridge, Linden Woods and Linden Ridge. The 4,722 square foot space was built to include a new merchandising layout to maximize aisle space, product assortment and product presentation. A Fine Wines Corner and a Refreshment Beverage Area were incorporated to meet the new retail standard of today's Liquor Mart.

The Portage & Burnell Liquor Mart location was redeveloped by the landlord, who built a new 7,300 square foot Liquor Mart adjacent to a new 16,000 square foot Shopper's Drug Mart. The old Liquor Mart was torn down to create additional parking space and vehicle access was improved by adding a new entrance for westbound traffic. The new store offers a spacious layout, and a Wine Corner to provide broader product selection, as well as a large Refreshment Beverage Area. The store opened on March 30, 2004.

All renovations were completed on schedule and on budget, with the exception of the River and Osborne renovation, which was not completed as the property owner's plans for redevelopment have not been finalized or approved.

Sixteen new liquor vendors received product knowledge training through the Basic Wine Course and 22 received social responsibility training. In addition product knowledge seminars were held last fall in15 rural locations with approximately 60 liquor vendor employees attending.

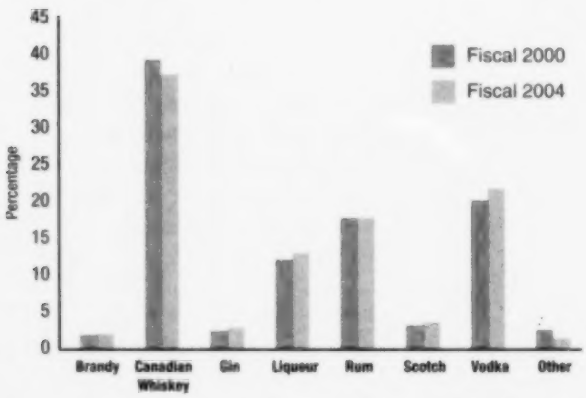
OBJECTIVE #2: Enhance service to commercial customers.

ACCOMPLISHMENTS:

A number of focus groups were conducted with licensees in Winnipeg and Portage la Prairie to determine satisfaction levels with Liquor Marts, the Distribution Centre and Inspection Services. From licensee input at the focus groups, a questionnaire was developed and mailed to all licensees in the province. The respondents were asked to rate the importance of service areas and the service satisfaction on a scale of one to five, with one being low importance/satisfaction and five being high importance/satisfaction. The three highest rated service areas were: 1) working relationship with the MLCC; 2) product availability; and 3) pick up service.

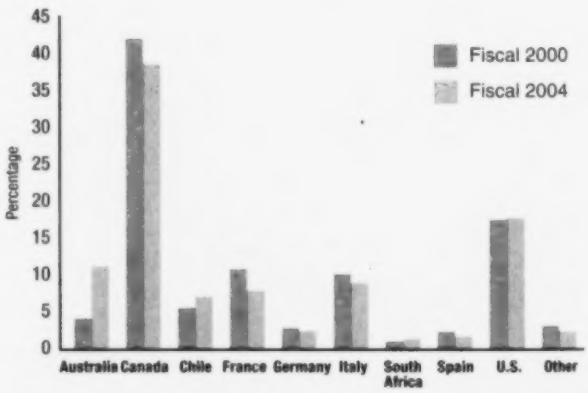
SPIRIT SALES BY TYPE

FISCAL 2000 AND FISCAL 2004



WINE SALES BY COUNTRY

FISCAL 2000 AND FISCAL 2004



Business Effectiveness

GOAL: Conduct operations in a consumer oriented and business-like manner, working in partnership with suppliers and commercial customers to identify and move to best industry practices.

OBJECTIVE #1: Initiate programs, which will, over time, not only make the MLCC the best Canadian liquor jurisdiction, but moves the MLCC to best practices in all areas.

ACCOMPLISHMENTS:

The MLCC continually reviews its service and productivity measures as well as the cost-effectiveness of its processes:

In F'04, the MLCC's Distribution Centre handled 1.7 million cases, with cases per labour hour at 30.4. As a result of more effective inventory management, the warehouse inventory turnover increased to 9.1 turns, an improvement over the previous year by .7 turns. In-stock service levels reached 98.4 percent, exceeding the 94 percent target.

Liquor Mart store managers also exceeded their performance levels by 3.5 percent, achieving 97.3 percent in stock service levels. Units per labour hours for Liquor Marts were slightly above targets at 32.4 units for Winnipeg stores and 28.2 units for rural stores. Inventory turnover at Liquor Marts also exceeded targets with 13.7 turns for Winnipeg stores and 11.5 turns for rural stores. Operational expenses were kept at nine percent.

A business case methodology was finalized and put in place for all new projects.

Stock flow in the Distribution Centre and Liquor Marts was re-evaluated to consider safety, capacity, and delivery frequency. As a result, a stock flow plan was developed and implemented for Christmas 2003.

The MLCC is 80 percent complete in the development of contingency plans to address a variety of natural and human-caused emergencies. Testing has been delayed until F'05.

OBJECTIVE #2: Establish and promote our corporate image with our stakeholders.

ACCOMPLISHMENTS:

As a corporate citizen, the MLCC supports charitable and community-based organizations through sponsorships and in-store fund-raising initiatives. It also supports programs that promote responsible consumption of alcohol. To help better allocate this support, the MLCC undertook a public awareness survey in F'04. Strong public support was given for programs and organizations that support alcohol abuse and disease prevention. Community-based organizations, amateur sport organizations and arts and cultural groups were considered appropriate beneficiaries of MLCC support.

In F'04, the MLCC developed a corporate look for its stationery and publications and standardized the use of its grapes/wheat logo.

In January 2004, as part of its transition to the JDEdwards system, the MLCC provided a portal to allow its commercial customers to view their account information on-line.

OBJECTIVE #3: Adjust policies and processes to comply with legislation.

ACCOMPLISHMENTS:

In keeping with the Government of Manitoba's Sustainable Development Strategy, the MLCC established a set of goals to reflect its sustainable development beliefs and practices. An action plan was developed to address the procurement of goods, the protection of human health, and the efficient use and consumption of resources. While many of the MLCC practices currently support the government's Sustainable Development Strategy, the Commission has taken steps to reduce its paper consumption and to use recycled products. Power consumption is being reduced through retrofitting of Liquor Marts and Head Office with energy efficient lighting. The MLCC is also reviewing its vehicle fleet to comply with the provincial emission goals. Initial awareness training has been delivered to all staff and information about sustainable development has been integrated within policies and procedures.

The MLCC reviewed its policies regarding the collection and retention of personal information to ensure they are in compliance with *The Personal Information Protection and Electronic Documents Act* (PIPEDA), which took effect January 1, 2004.

The MLCC revised its operating policies for consistency with the revised *Customs and Excise Act*, which took effect July 1, 2003.

The MLCC developed a Workplace Safety and Health policy, which outlines the roles and responsibilities of staff to comply with legislative requirements. During F'05, staff will develop a health and safety program in support of this policy, including the elements required under *The Workplace Safety and Health Act*.

Workplace Quality

GOAL: Promote a modernized work environment that allows employees to contribute to the effective implementation of plans, objectives and strategies.

OBJECTIVE #1: Improve employee wellness.

ACCOMPLISHMENTS:

The MLCC committed to the development of a Wellness Program for its employees in F'04. A number of program options were explored, evaluated and recommended for implementation in F'05.

OBJECTIVE #2: Implement a user-driven Information Technology and Information Services environment, which provides decision support and performance enhancement systems (LINK).

ACCOMPLISHMENTS:

In F'04, the MLCC entered the final year of a five-year project, called LINK, to reduce over 30 outdated computer systems into a more integrated system. This past year, the project moved into the implementation stage, with the HR stream successfully crossing over to the new system in April 2003. In June 2003, the Payroll stream was successfully implemented. In January 2004, the largest stream, Distribution, went live. While there were challenges in adjusting to the new system and meeting customer service requirements, these challenges were not unexpected given the size and scope of the transition.

A number of adjustments will be made in F'05 to improve efficiencies. The final streams of the LINK project, Licensing, Permits and Inspection will be implemented in F'05.

A new employee scheduling and timekeeping computer program, called KRONOS, was rolled out to employees in F'04. The program is intended to reduce duplicate time entry for Payroll and provide on-line time information to all employees.

One of the goals of the LINK project is to shift application knowledge and expertise from the IT area to the system users. To accomplish this, three new business analyst positions were created in key functional areas of the organization. Two positions were filled in F'04 and the third will be filled in F'05.

The MLCC's technical support staff were consolidated into a Customer Service Centre in early F'04. The technical support calls are now routed through a central help desk to streamline services.

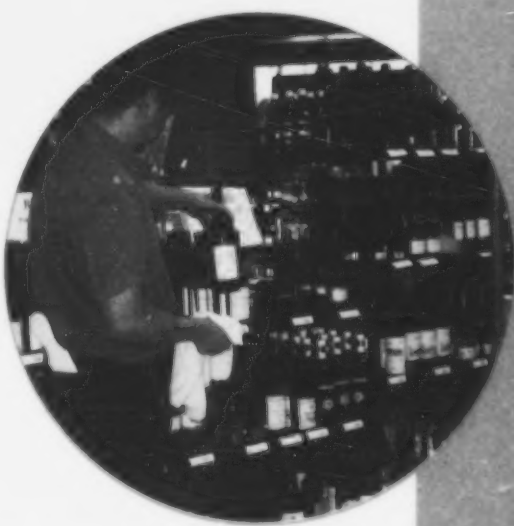
Transition plans were developed to address organizational and role changes resulting from LINK and integrate staff back into their home departments.

OBJECTIVE #3: Enhance an inclusive culture that encourages participation of all staff.

ACCOMPLISHMENTS:

In F'04, the MLCC continued to address items of concern identified in its Workplace Quality Action Plan. The plan was developed in F'03 following a Workplace Quality Survey. Achievements in F'04 include:

- the development and posting of a Staffing Manual on the internal Web Board to clarify how the staffing process works;
- the development of an action plan and communication to employees on the Job Competition process;
- the implementation of succession planning; and
- a review of employee 'On the Spot' recognition awards to ensure quantity is adequate to meet demand.



OBJECTIVE #4: Ensure a well-trained staff and management workforce that has the capability to undertake new responsibilities.

ACCOMPLISHMENTS:

Product training has been a high priority for the MLCC for over a decade. In F'04, 31 staff were trained in the three-day basic wine and spirits course, while 43 people went on to receive their Higher Certificate Course accreditation. To date, over 600 employees have completed product training courses.

Training was provided to all Head Office Managers as well as Store Managers and Assistant Managers on the new JDEdwards system and the KRONOS timekeeping system.

A Security Manual for both Head Office and Retail Stores was developed and training was provided to all MLCC staff in conjunction with the Code of Conduct training.

A Succession Plan has been developed for Executive Management and the organization is currently working on a plan for senior management positions.

A review of the MLCC's policies for format, style and communication methods was initiated in F'04 and is ongoing in F'05.

OBJECTIVE #5: Enhance the Performance Management System.

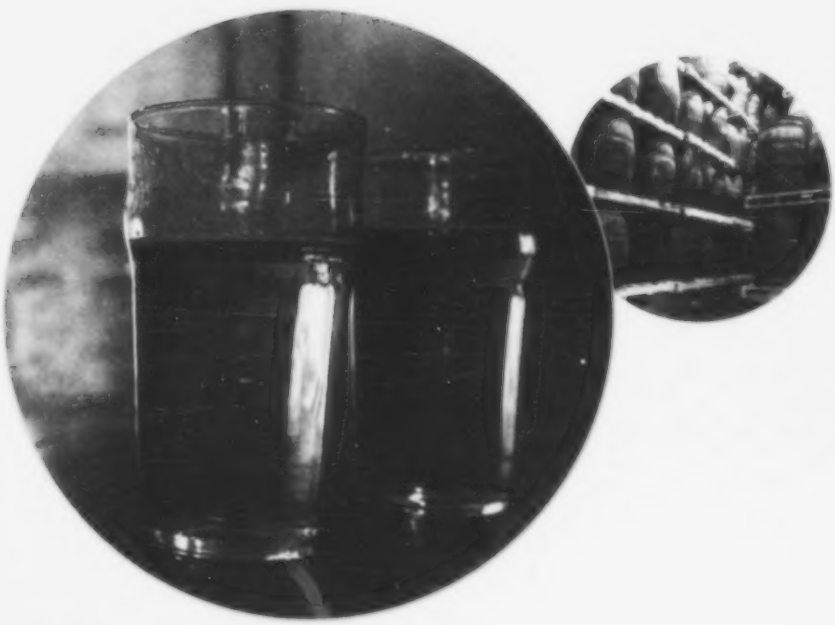
ACCOMPLISHMENTS:

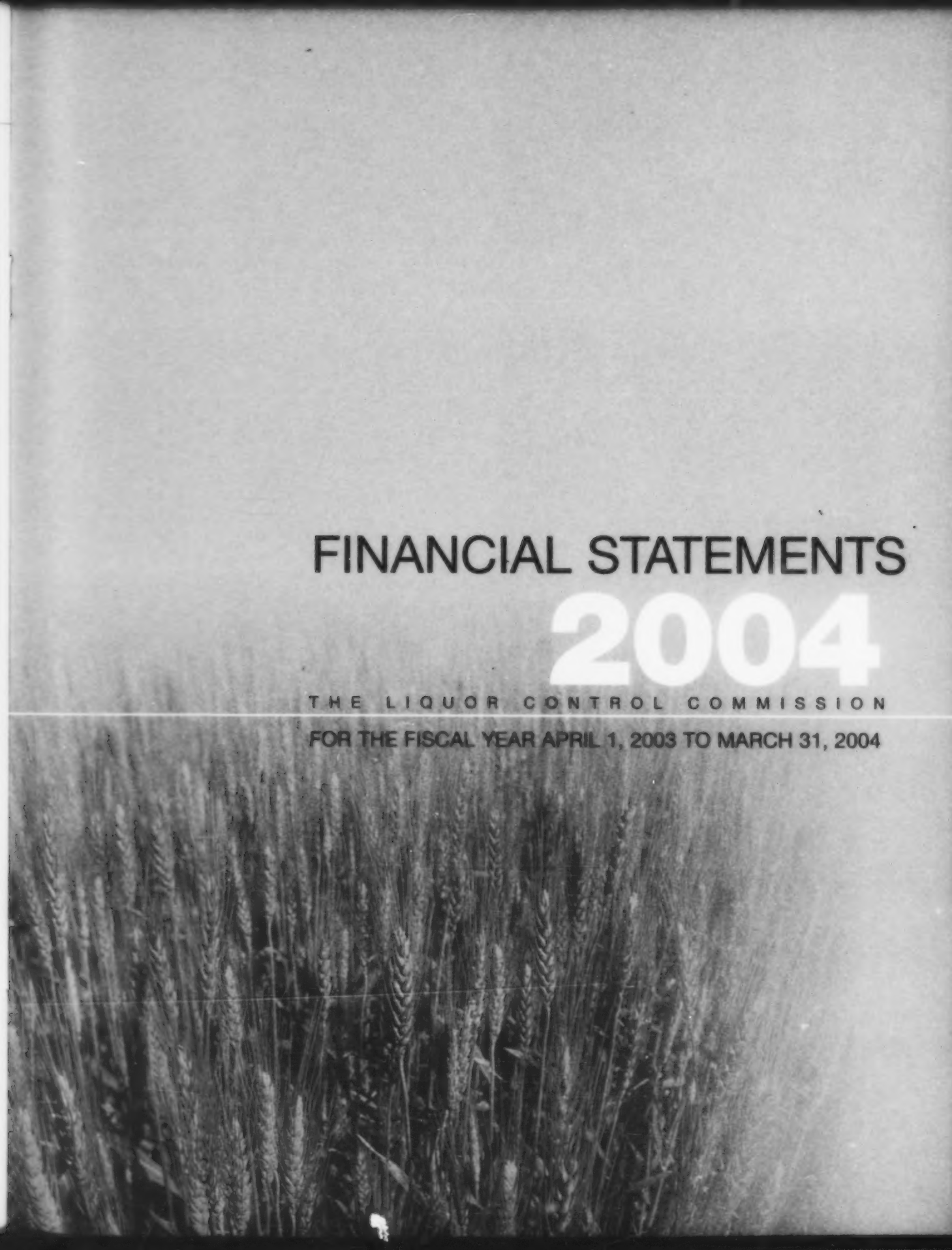
A multi-department committee was struck in F'04 to identify needs and requirements for a new performance management system. Recommendations have been made to Executive Management for implementation in F'05.

OBJECTIVE #6: Provide workplace "health" measures to Board and Management.

ACCOMPLISHMENTS:

Information on employee sick days and employee turnover, as well as workforce diversity are reported to Management and the Board of Commissioners on a quarterly basis.





FINANCIAL STATEMENTS

2004

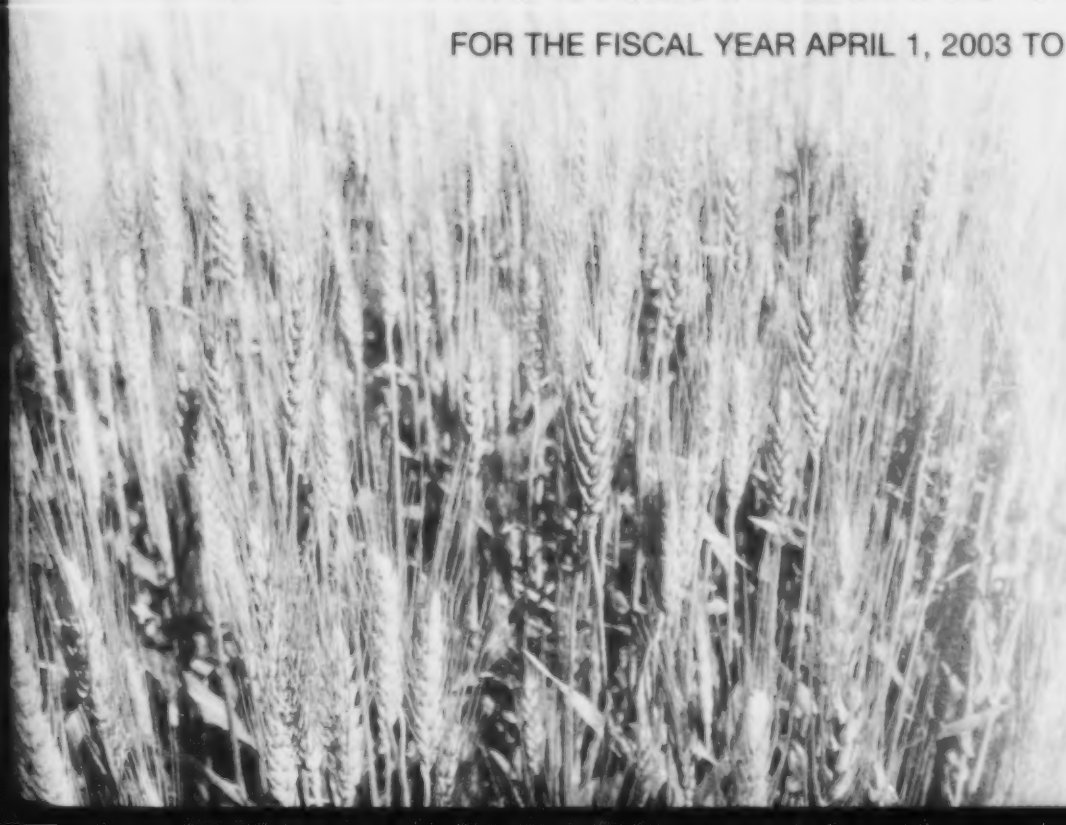
THE LIQUOR CONTROL COMMISSION

FOR THE FISCAL YEAR APRIL 1, 2003 TO MARCH 31, 2004

FINANCIAL STATEMENTS

THE LIQUOR CONTROL COMMISSION

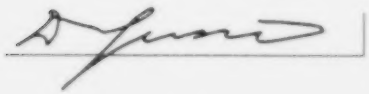
FOR THE FISCAL YEAR APRIL 1, 2003 TO MARCH 31, 2004



Management Report

The accompanying financial statements are the responsibility of Management and have been prepared in accordance with the accounting policies disclosed in Note 2. In Management's opinion, the financial statements have been properly prepared and, of necessity, include some amounts based upon Management's best estimates and judgements.

As Management is responsible for the integrity of the financial statements, Management has established systems of internal control to provide assurance that assets are properly accounted for and safeguarded from loss.



Don Lussier
President & CEO

Tracy Crawford
Chief Financial Officer

Auditors' Report

To the Board of Commissioners
The Liquor Control Commission

We have audited the balance sheet of The Liquor Control Commission (an Agency of the Government of the Province of Manitoba) as at March 31, 2004 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of The Liquor Control Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Liquor Control Commission as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements for the preceding year were audited by other chartered accountants.

Ernst & Young LLP

Ernst & Young LLP
Chartered Accountants

Winnipeg, Canada
May 10, 2004

Statement of Income

(In Thousands)
YEAR ENDED MARCH 31

	2004	2003
Sales *(see Schedule of Sales, Cost of Sales and Gross Profit)*	$ 459,199	$ 434,980
Cost of Sales *(see Schedule of Sales, Cost of Sales and Gross Profit)*	241,008	229,532
Gross profit	218,191	205,448
Other income *(Note 4)*	6,342	7,133
	224,533	212,581
General and administrative expenses *(Note 5)*	45,850	44,127
Operating profit before depreciation	178,683	168,454
Depreciation *(Notes 2 & 6)*	2,432	2,107
Net profit paid or payable to the Province of Manitoba	$ 176,251	$ 166,347

See accompanying notes to the financial statements

Balance Sheet

(In Thousands)
AS AT MARCH 31

	2004	2003
Assets		
Current		
Cash and cash equivalents	$ 3,860	$ 12,146
Accounts receivable – Province of Manitoba	1,375	1,375
Accounts receivable – claims and other	11,555	596
Inventory *(Note 3)*	20,548	17,831
Prepaid expenses and supplies	918	775
Total current assets	38,256	32,723
Fixed assets *(Note 6)*	11,159	10,344
Long-term commitments – Province of Manitoba *(Notes 7 and 8)*	46,082	43,897
	$ 95,497	$ 86,964
Liabilities		
Current		
Accounts payable – trade and other	$ 20,896	$ 14,985
Goods and services tax payable	1,114	1,123
Manitoba retail sales tax payable	997	942
Net profit payable to the Province of Manitoba	20,351	20,247
Environmental protection tax payable	120	116
Deferred licence fees	570	512
Demand non-interest bearing working capital advance provided by the Province of Manitoba *(Note 9)*	4,500	–
	48,548	37,925
Long-term		
Provision for employee pension benefits *(Note 7)*	42,917	40,733
Provision for retirement allowances *(Note 8)*	4,032	3,806
Non-interest bearing working capital advance provided by the Province of Manitoba *(Note 9)*	–	4,500
Contingent liabilities *(Note 11)*	$ 95,497	$ 86,964

See accompanying notes to the financial statements

Approved on behalf of the Commission

Chair of the Board

Chair of the Audit Committee

President and Chief Executive Officer

Chief Financial Officer

Statement of Cash Flows

(In Thousands)
YEAR ENDED MARCH 31

Increase (decrease) in cash and cash equivalents	2004	2003
Operating Activities		
Cash Receipts		
Sales – spirits, wine, coolers/ciders and beer	$ 449,691	$ 434,980
Annual and supplementary licence fees and other	3,185	3,986
Goods and services tax	32,398	30,660
Manitoba retail sales tax	14,107	13,156
Manitoba WRAP tax	439	431
Environmental protection tax	1,738	1,713
	501,558	484,926
Cash Disbursements		
Purchases – merchandise, federal duty, excise and sales taxes, etc.	240,116	229,907
General and administrative expenses	42,452	41,905
Goods and services tax	32,406	31,598
Manitoba retail sales tax	14,053	13,206
Manitoba WRAP tax	438	432
Environmental protection tax	1,734	1,718
	331,199	318,766
Net cash available from operating activities	170,359	166,160
Investing Activities		
Acquisition of fixed assets	(2,498)	(4,383)
Net cash available for transfer	167,861	161,777
Transfers to Province of Manitoba		
Current year's net profit	155,900	146,100
Prior year's net profit	20,247	18,216
	176,147	164,316
Deficiency of cash receipts over disbursements and transfers	(8,286)	(2,539)
Cash and cash equivalents, beginning of the year	12,146	14,685
Cash and cash equivalents, end of the year	$ 3,860	$ 12,146

See accompanying notes to the financial statements

Schedule of Sales, Cost of Sales and Gross Profit

(In Thousands)
YEAR ENDED MARCH 31

	Spirits	Wine	Coolers/ Ciders	Beer	Total
Sales					
Stores	$ 111,363	$ 52,522	$ 9,881	$ 27,345	$ 201,111
Liquor vendors	30,082	6,054	3,283	4,021	43,440
Licensees	17,504	3,855	2,738	180,473	204,570
Specialty wine stores	–	10,012	66	–	10,078
Total Sales for 2004	$ 158,949	$ 72,443	$ 15,968	$ 211,839	$ 459,199
Total Sales for 2003	$ 154,200	$ 67,103	$ 14,905	$ 198,772	$ 434,980
Cost of Sales					
Total Cost of Sales for 2004	$ 63,257	$ 33,620	$ 8,033	$ 136,098	$ 241,008
Total Cost of Sales for 2003	$ 61,732	$ 31,710	$ 7,766	$ 128,324	$ 229,532
Gross Profit for 2004	$ 95,692	$ 38,823	$ 7,935	$ 75,741	$ 218,191
Gross Profit for 2003	$ 92,468	$ 35,393	$ 7,139	$ 70,448	$ 205,448
Gross Profit as a Percentage of Sales for 2004	60.2%	53.6%	49.7%	35.8%	47.5%
Gross Profit as a Percentage of Sales for 2003	60.0%	52.7%	47.9%	35.4%	47.2%

Notes to the Financial Statements

(In Thousands)
MARCH 31, 2004

1. Nature of organization

The Liquor Control Commission (the "Commission") was formed in 1923 as an agency of the Government of Manitoba under the Government *Liquor Control Act*. The Commission's mandate is to purchase, sell and regulate alcoholic beverages; to determine locations for retail liquor outlets; to licence and regulate facilities used by the consuming public; to provide revenue to the Province from the activities of the Commission; and to do all such things necessary to effect the provisions of *The Liquor Control Act*.

2. Significant accounting policies

a. Cash and cash equivalents include cash on hand, balances with banks and outstanding electronic fund transactions forwarded to banks.

b. Accounts receivable – claims and other includes electronic fund transactions to be forwarded to banks after March 31. Due to system changes, these transactions are now reported as accounts receivable rather than outstanding deposits included with cash.

c. Inventories of goods for resale are valued at cost.

d. Revenue from sales is recognized upon shipment of the product.

e. The fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on the declining balance basis at the following annual rates:

Automobiles	30%
Equipment and furnishings	20%
Paving	8%
Systems development	30%

Leasehold improvements are depreciated on a straight-line basis over the remaining term of the lease or a minimum of five years.

f. Other income includes funding from the Province of Manitoba for the Commission's share of the change in the provision for unfunded pension liabilities.

g. Substantially all of the employees of the Liquor Control Commission are eligible for pension benefits in accordance with the provision of the *Civil Service Superannuation Act* administered by the Civil Service Superannuation Board. Plan members will receive benefits based on the length of services and on the average of annualized earnings calculated on the best five years prior to retirement, termination, or death, that provides the highest earnings. Pension costs, included in salaries, benefits and pension costs, consist of the employer's share of pension benefits paid to retired employees, as well as the increase in unfunded pension liabilities during the fiscal year. This liability is determined actuarially every three years with the balances for the intervening years being determined by a formula provided by the actuary as detailed in Note 7.

h. The Commission's financial instruments consist of cash and cash equivalents, accounts receivable, long-term commitments – Province of Manitoba, net profit payable to the Province of Manitoba, accounts payable, other taxes payable and non-interest bearing working capital advance provided by the Province of Manitoba. It is management's opinion that the Commission is not exposed to interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

i. In preparing the Commission's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Inventory

	2004	2003
Warehouse Inventory	$ 13,468	$ 10,981
Stores Inventory	7,080	6,850
	$ 20,548	$ 17,831

The amount of unpaid and unrecorded Customs and Excise duties on owned merchandise held in bond is approximately $3,179 at March 31, 2004 (2003: $2,222).

4. Other income

	2004	2003
Long-term funding commitments – Province of Manitoba	$ 2,185	$ 3,259
Advertising revenue, other	752	853
Supplementary licence fees	712	745
Occasional permits additional fees	626	692
Miscellaneous	598	186
Annual licence fees and licence application fees	594	598
Air Miles revenue	337	221
Occasional permits	257	289
Administration charges	186	186
Specialty wine store fees	48	48
Border point fees	47	56
	$ 6,342	$ 7,133

5. General and administrative expenses

	2004	2003
Salaries, benefits and pension costs	$ 28,826	$ 28,558
Leased premises – rentals *(Note 10)*	4,531	4,484
Maintenance and repairs	1,730	1,376
Utilities	1,174	1,093
Delivery charges	1,166	1,164
Bank charges	1,086	996
Equipment rentals *(Note 10)*	1,015	850
Air Miles program	1,013	862
Printing, postage and supplies	786	609
Professional fees	610	478
Grants in lieu of taxes	582	578
Health and post secondary education tax levy	478	449
Image enhancement	387	327
Miscellaneous	366	339
Protective services	358	336
Advertising and promotions	348	328
Alcohol education	329	369
Staff training	317	267
Travelling	233	206
Vehicle expenses	175	154
Product analysis	125	157
Communications	114	80
Crown Corporations Council levy	101	67
	$ 45,850	$ 44,127

6. Depreciation/Fixed assets

	2004		
	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	$ 6,319	$ 1,748	$ 4,571
Systems development	7,561	3,602	3,959
Equipment and furnishings	4,705	2,484	2,221
Automobiles	544	268	276
Paving	208	76	132
	$ 19,337	$ 8,178	$ 11,159

	2003		
	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	$ 5,115	$ 1,317	$ 3,798
Systems development	6,899	2,854	4,045
Equipment and furnishings	4,130	2,007	2,123
Automobiles	484	237	247
Paving	196	65	131
	$ 16,824	$ 6,480	$ 10,344

7. Provision for employee pension benefits

	2004	2003
Balance, beginning of year	$ 40,733	$ 37,473
Adjustment to provision from 2001 actuarial valuation	–	1,323
Benefits accrued	1,238	1,164
Interest accrued on benefits	2,944	2,804
Benefits paid	(1,989)	(2,031)
Manitoba Finance matching pension contributions	(9)	–
Balance, end of year	$ 42,917	$ 40,733
Pension expense	$ 4,183	$ 5,291
Employee contributions	1,131	1,063
Employer contributions	1,998	2,031

An actuarial valuation of the provision for employee pension benefits was conducted by Ellement & Ellement Ltd. Consulting Actuaries as at December 31, 2001. The key actuarial assumptions used in determining the Commission's provision for employee pension benefits were at the following weighted average rates:

	As at March 31 2004	As at March 31 2003
Rate of return	6.75 %	6.75 %
Inflation	2.75 %	2.75 %
Salary rate increases	4.50 %	4.50 %

In addition, post retirement indexing was at two-thirds of the inflation rate.

The service to date projected benefit method was used and the liabilities have been extrapolated to March 31, 2004 using a formula provided by the actuary.

The provision for unfunded employee pension benefits is offset by a receivable from the Province included as part of long-term commitments – Province of Manitoba. There are no conditions or terms for collection of this receivable.

Effective April 1, 1998, the Commission commenced recording accumulated retirement allowances for its employees. Eligible employees are entitled to receive a retirement allowance equal to one week's pay to a maximum of 25 weeks, for each year of continuous employment, based on the current salary at date of retirement. The provision recorded is based on a method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the retirement allowances accumulated by the Commission's employees to March 31, 1998. Accordingly, the opening provision for retirement allowances as at April 1, 1998 of $3,165 was completely offset by a receivable from the Province included as part of long-term commitments – Province of Manitoba.

During the year, the Commission adopted the new Canadian Institute of Chartered Accounts ("CICA") standard regarding balance sheet classification of callable debt obligations. This standard applies to the Commission's presentation of its demand non-interest bearing working capital advance provided by the Province of Manitoba. Under the new standard, the Commission presents its debt obligations in accordance with the legal rights of the lenders. Accordingly, the working capital advance, which is subject to demand provisions, has been presented as a current liability.

a. The Commission leases its head office and 10 other buildings from the Government of the Province of Manitoba for the nominal sum of two dollars effective August 1, 1985, for a period of 99 years.

b. The Commission leases another 38 buildings. Leases have expiry dates ranging from 2004 to 2024.

The future minimum lease payments for each of the next five years and thereafter are as follows:

Year ending March 31	2005	$	3,081
	2006		2,735
	2007		2,402
	2008		2,278
	2009		2,123
	Thereafter		7,462
		$	20,081

c. The Commission leases computer equipment. Leases on this computer equipment expire in 2007.

The future minimum lease payments for each of the years to the expiry of the lease contracts are as follows:

Year ending March 31	2005	$	832
	2006		656
	2007		234
		$	1,722

a. Legal action has been taken against the Commission by the six stand-alone private wine stores claiming the Commission's interference with their economic interests, abuse of public authority and breach of contract. The outcome of this action and the amounts involved are not determinable.

b. Legal action has been taken against the Commission by the two specialty food and wine private wine stores claiming discriminatory action by the Commission under *The Competition Act* with regard to the discount structure. The outcome of this action and the amounts involved are not determinable.

Liquor Marts

The Commission's 45 self-serve stores operate in the following areas:

Rural

Beausejour
Brandon – 10th & Victoria Avenue;
Brandon Shoppers Mall
Carman
Churchill
Dauphin
Flin Flon
Gimli
Killarney
Lac du Bonnet
Minnedosa
Morden
Neepawa
Pine Falls
Portage la Prairie
Roblin
Russell
Selkirk
Swan River
The Pas
Thompson
Virden

Winnipeg

Charleswood – 27-3900 Grant Avenue
cityplace – 333 St. Mary Avenue
Crestview Shopping Centre – 170-3393 Portage Avenue
Dominion Shopping Centre – 21 Marion Street
Eastwinds Shopping Centre – 23-1530 Regent Avenue
Fort Garry – 1235 Pembina Highway
Fort Richmond – 2855 Pembina Highway
Grant Park Plaza Shopping Centre – 1120 Grant Avenue
Hargrave & Ellice – 325 Ellice Avenue
Kenaston Crossing – 8-1650 Kenaston Boulevard
Madison Square – P-1600 Ness Avenue
Main & Jefferson – 1662 Main Street
Main & Pritchard – 1005 Main Street
Northdale Shopping Centre – 965A Henderson Highway
Northgate Shopping Centre – 1399 McPhillips Street
Portage & Ainslie – 2549 Portage Avenue
Portage & Burnell – 925 Portage Avenue
River & Osborne – 471 River Avenue
St. Vital Square – 5-827 Dakota Street
Southdale Shopping Centre – 21-67 Vermillion Road
Transcona Square – 1-620 Kildare Avenue E.
Tuxedo – 168-2025 Corydon Avenue
Tyndall Market Mall – 850 Keewatin Street

Liquor Vendors

Liquor vendors are partners with the Manitoba Liquor Control Commission. By combining liquor sales with their existing business, these local entrepreneurs help to ensure their viability. There are currently 174 liquor vendors operating in Manitoba.

Alexander	Stahl's Food Mart
Alonsa	Fashoway Café & Confectionery
Altona	Altona Cleaners Ltd.
Amaranth	Bayside Bargains
Anola	Anola Lucky Dollar
Arborg	Arborg Pharmacy
Argyle	Meridian Trail General Store
Ashern	Ashern Pharmacy
Austin	J & J Grocery
Baldur	Baldur Variety Store
Belmont	Belmont Hardware
Benito	Benito Pharmasave
Birch River	Birchwood Convenience
Bird River	Tall Timber Lodge
Birds Hill	Birds Hill Store
Birtle	Birtle Pharmacy
Bissett	Bissett Variety
Boissevain	Hazlewood Enterprises
Bruxelles	Marginet's Grocery & Hardware
Camperville	McKay Grocery
CFB Shilo	Bx Shopping Centre
Carberry	Spud City Food Mart Ltd.
Cartwright	Cartwright Health Centre
Clandeboye	Clandeboye Store
Clearwater Lake	Wally's Place
Cowan	Kolisnyk's General Store
Cranberry Portage	Streamer Hardware
Cypress River	Cypress River Lucky Dollar
Deloraine	Myrna's Fabric Boutique
Dominion City	Mike's Bigway
Dugald	Dugald Convenience Store
Elgin	West Elgin Mall
Elie	Elie Grocery Store
Elkhorn	Twin Valley Co-op Ltd.
Elm Creek	Elm Creek Co-operative Oil & Supplies Ltd.
Elma	Lycar Solo
Emerson	Holly's Food & Hardware Ltd.
Erickson	Mountain Park Pharmacy
Eriksdale	Shop Easy Foods
Ethelbert	Bird's Corner Store
Falcon Lake	Lumber One Building Supplies
Fisher Branch	Fisher Branch Health Centre
Fraserwood	J & J Store
Garson	Garson Grocery Ltd.
Gilbert Plains	Gilbert Plains Pharmacy
Gillam	Trappers Shack
Gladstone	Gladstone Pharmacy
Glenboro	Glenboro Pharmacy Ltd.
Glenella	Preisentanz's General Store
Glenora	Glenora Mall
Grand Marais	Grand Marais Village Store
Grand Rapids	Grand Rapids Esso
Grandview	Grandview Home Hardware
Great Falls	Great Falls Foods
Grindstone	Grindstone General Store
Gull Lake	Sherwood Grocery
Gypsumville	Rawluk's Grocery & Pro Hardware
Hadashville	Kiedyk's Convenience Store
Hamiota	Rawlings Home Hardware
Hartney	Hartney Variety Store
Hecla	Hecla Island General Store
Hodgson	Skibinski's General Store
Holland	Holland Home Hardware
Ile des Chenes	Ile des Chenes Country Store
Inglis	Jordie's Food Mart
Inwood	Inwood Food Town
Kelwood	Kelwood Store
Kenton	Houston's
Komarno	Komarno Quality Store
La Broquerie	Le Bon Ami
La Salle	Jeni's Food & Hardware
Lake of the Prairies	Kilman Resort
Lake Metigoshe	Scott's Landing
Langruth	Farncombe's Food Centre
Laurier	Fosberry Foods
Leaf Rapids	Kings Health & Variety
Lee River	Camp Hide-Away
Letellier	Gallant's Lucky Dollar
Lockport	Lockport Grocery
Lorette	Chez Heather Shop
Lundar	Lundar Pharmacy Ltd.
Lynn Lake	Clarke's Pharmacy
MacGregor	MacGregor Lo-Cost (2004)
Mafeking	Doan's General Store
Manitou	Manitou Pharmacy
Mariapolis	Pouteau Foods
McAuley	McAuley Country Grocery Co-op Ltd.

McCreary	Reischek's Pharmacy
Melita	Liquid World
Miami	Westaway's Pharmacy
Miniota	Andrew Agencies Ltd.
Minitonas	Nemetchek Enterprises 1992
Minto	Community Market
Moosehorn	Moosehorn Consumers Co-op Ltd.
Morris	Morris Super Variety
Narrows	The Narrows General Store
Newdale	Parkway Insurance
Ninette	The Grocery Box
Notre Dame	Notre Dame Shopping Centre
Nutimik Lake	Nutimik Lodge
Oak Lake	Valleyview Oak Lake Co-op
Oakbank	Family Fare
Oakburn	Oakburn Foodtown
Oakville	Oakville Super Market
Onanole	B & D Hardware Inc.
Pierson	Edward Consumers Co-Operative Ltd.
Pilot Mound	Dobson's Foods Ltd.
Pinawa	Northern Stores Inc.
Pine River	Semeniuk's Groceteria
Pipestone	Corral Foods
Plum Coulee	Tri-Coulee Investments
Plumas	Plumas Stop & Shop
Pointe du Bois	Pam's Place
Poplarfield	King Buck Inn Poplarfield Groceteria
Rapid City	Waldon Insurance Agencies Ltd.
Rathwell	Rathwell Solo & Hardware
Rennie	Rennie General Store
Reston	Reston Drugs
Richer	Burnells Food Plus
Ridgeville	Ridgeville Cooperative Community Club
Rivers	Rivers Super Thrifty Drug Mart Ltd.
Riverton	The Other Place
Roland	Roland E-Z Mart
Rorketon	Bonnett Insurance Agencies
Rossburn	L.P.K. Enterprises
St. Ambroise	Ducharme's General Store
St. Claude	Philippot's Shop Easy Foods
St. Eustache	Magasin Beaudin Store
St. Francois Xavier	S.F.X. Country Store
St. Jean Baptiste	St. Jean Home Centre
St. Laurent	Depanneur Entre-Lacs
St. Lazare	J.C. & O.J. Ltee.
St. Malo	St. Malo Co-operative Ltd.
St. Pierre-Jolys	St. Pierre IGA
Ste. Agathe	De Panneur Cheyenne Convenience Store
Ste. Anne	Ste. Anne Sundries
Ste. Rose du Lac	Ste. Rose Variety Shop (2001)
San Clara	Browser's Country Store
Sandy Lake	Sandy Lake Hardware
Sanford	Sanford Lumber & Building Supply
Sarto	Sarto General Store
Seven Sisters	East-Man Appliance Sales & Service
Shoal Lake	The Far Side Gifts
Sifton	Boguski Grocery
Snow Lake	Cornerview Enterprises Ltd.
Somerset	Somerset Meat & Groceries Inc.
Souris	Souris Valley Foods
Sprague	Carl's Solo Store
Springfield	Garven Grocery Store
Starbuck	"Dawn 'Til Dusk" Convenience Store
Stonewall	Stonewall Pharmacy Ltd.
Stony Mountain	Mountainview General Store
Strathclair	Strathclair Consumers Co-op Ltd.
Swan Lake	Stevenson's Pharmacy Ltd.
Teulon	Teulon Pharmacy
Tolstoi	Tolstoi Super Mart
Traverse Bay	Traverse Bay Corner Store
Treherne	Treherne Pharmacy
Vassar	Vassar General Store
Vita	Sumthing Special Florist & Gift Shop
Wabowden	Dwyer's General Store
Wanless	WE STE General Store
Warren	Pete's General Store
Waskada	Wilbro Enterprises Inc.
Waterhen	Waterhen General Store
Wawanesa	Gullett Pro Hardware
Westbourne	Yellowhead Food 'N' Fuel
West Hawk Lake	West Hawk Lake Resort
Whitemouth	Whitemouth Sundries
Winnipeg Beach	Beach Remedies
Winnipegosis	Winnipegosis Meat Market
Woodlands	Studler's General Store
Woodridge	Woodridge General Store

MLCC

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